Unit 306/696 Understand customers and customer retention

UAN:	**J/506/2910**
Level:	3
Credit value:	4
GLH:	35
Assessment type:	E-volve or portfolio of evidence
Relationship to NOS:	Customers Service (2013) National Occupational Standards: • CFACSB14 Review the quality of customer service • CFACSB15 Build and maintain effective customer relations
Assessment requirements specified by a sector or regulatory body:	All Assessment Criteria must be met and assessed in line with Skills CFA Assessment Strategy.
Aim:	This unit aims to develop knowledge and understanding regarding customers and customer retention. Upon completion of this unit, learners will have developed an understanding of Customer Relationship Management (CRM), customer retention, and the measurement of customer satisfaction.

Learning outcome
The learner will: 1. understand Customer Relationship Management (CRM)
Assessment criteria
The learner can: 1.1 explain the concept of the **'customer experience'** 1.2 explain different **methods of segmenting** and **characterising** customers 1.3 explain the **purpose** and **scope** of CRM 1.4 describe the **features** of an effective CRM system 1.5 explain the **uses** of CRM data in customer service delivery.

Range

Customer experience:
The customer experience is the sum of all the experiences a customer has with an organisation. Customers expect a good experience with an organisation from beginning to end. Any organisation that can do that can:

- encourage customer loyalty
- improve customer satisfaction
- where relevant increase income

Methods of segmenting customers:

- geographic
- demographic
- gender
- age
- lifestyle

Methods of characterising customers:

- needs
- wants

Purpose of customer relationship management:

- to build a relationship with customers
- to maximise opportunities
- to gather information and data for analysis
- to log customer details and preferences

Scope of customer relationship management:

- customers
- suppliers
- owners/investors
- employees
- partners

Features:

- customer account management
- reporting facility
- can be bespoke to an organisation
- creates customer records
- enables analysis

Uses to an organisation:

- identify current customers
- monitor profitability
- log customer preferences
- potential customer identification
- highlight trends
- report on performance
- set targets for delivery

Learning outcome
The learner will: 2. understand customer retention
Assessment criteria
The learner can: 2.1 explain the term customer retention 2.2 explain the **benefits** of customer retention to an organisation 2.3 explain the **factors** that influence customer retention 2.4 describe **techniques** used to **attract and retain** customers 2.5 explain how to assess the extent of customer loyalty 2.6 explain the **factors** involved in customer recovery.

Range
Benefits: • cost effective • maintains loyalty • increases profit **Factors:** • price • products/services offered • level of customer service • level of customer satisfaction • competition **Techniques** to **attract** customers: • promotions • advertising campaigns • Industry networking • excellent customer service • ensure staff are knowledgeable and well trained **Techniques** to **retain customers:** • develop a formal strategy • develop customer service standards • develop the service offer • respond to customer feedback • continue staff training and development • offer loyalty discount **Factors:** • why the customer left the organisation • what will make the customer return

Learning outcome
The learner will: 3. understand the measurement of customer satisfaction
Assessment criteria
The learner can: 3.1 describe **techniques** used to analyse performance data 3.2 explain the **factors** to be taken into account in setting performance targets and objectives 3.3 explain the features and uses of a range of **techniques to measure customer satisfaction.**

Range
Techniques: • qualitative analysis • quantitative analysis **Factors:** • organisational policy • SMART Target setting **Techniques to measure customer satisfaction:** • formal feedback • informal feedback • customer focus group • mystery shopper • customer survey • complaints data.

Additional Guidance if delivered as Portfolio based

Candidates will be expected to have carried out research on the range stated in each of the above learning outcomes.

Candidates will be required to submit a report of a minimum of 3000 words to a maximum of 5000 words.

Not all of the range shown in each learning outcome will be relevant to their organisation.

However, the key point of the report is to show the candidate's understanding of each learning outcome and that they have developed an understanding of Customer Relationship Management (CRM), customer retention, and the measurement of customer satisfaction.

Any necessary additional coverage could be generated through professional discussion.